

São Paulo, March 18, 2015: PDG Realty S.A. (PDGR3) announces **today** its results for the fourth quarter and full year of 2014. Founded in 2003, PDG develops projects for different segments and publics, operating in the development, construction and sale of residential and commercial units, as well as land development.

Investor Relations:

(+ 55 11) 4383-0001
www.pdg.com.br/ir
ri@pdg.com.br

Press:

Textual
(11) 5180-6922
www.textual.com.br

Conference Call

Date:
Thursday, March 19, 2015

➤ Portuguese

08:00 a.m. (NY)
09:00 a.m. (Brasília)

Tel.: (11) 3193-1001
(11) 2820-4001

Replay: (11) 3193-1012
Password: 7269154#

➤ English (Simultaneous translation)

08:00 a.m.(NY)
09:00 a.m. (local)

Tel.: +1 (888) 700-0802
+1 (786) 924-6977

Replay: (11) 3193-1012
Password: 0323394#

Highlights and Recent Events

- ❖ **For the second consecutive quarter, PDG recorded positive cash generation in 4Q14**, resulted from a strong delivery of projects, giving a year-to-date positive balance of R\$237 million. (page 19)
- ❖ **The Company's total indebtedness, which includes the net debt and the cost to be incurred, decreased R\$4.6 billion in the last 24 months**, demonstrating the Company's execution risk reduction. (page 18)
- ❖ **We resolved all the refinancing needs of our corporate debt due in 1Q15**. The continuity of cash generation, which should pick up speed in 2015, will allow us to make further progress with the deleveraging of our balance sheet in the coming quarters. (page 18)
- ❖ **The costs to be incurred from legacy projects, which excludes the projects launched as of 2013, closed the year at R\$924 million**, versus R\$1.4 billion in 3Q14 and R\$3,0 billion in 4Q13. (page 17)
- ❖ **Net sales came to R\$444 million in 4Q14**, in line with the previous quarters, if we exclude the impact of the "Na Ponta do Lápiz" sales campaign in 3Q14. In the year as a whole, net sales totaled R\$1.9 billion. (page 7)
- ❖ **We obtained occupancy permits for 32 projects in 4Q14**, maintaining the strong pace of deliveries in the second semester. In the full year, **we obtained 109 occupancy permits**, the Company's highest ever annual total. (page 12)
- ❖ As a result, we managed to **conclude the title individualization of 7,743 units in the fourth quarter, giving 25,143 units in the full year**, 14% up on 2013. (page 13)
- ❖ **We transferred mortgages for 4,279 units in 4Q14**, 9% more than in the previous quarter and 20% up year-on-year. **In 2014 as a whole, we transferred 15,682 units**, an 11% improvement over the 14,164 units transferred in 2013. (page 14)
- ❖ **PDG launched 7 projects in the states of São Paulo and Rio de Janeiro in 4Q14, with a combined PSV of R\$491 million**, which recorded an excellent sales performance, with a launch VSO (sales speed) of 30%. In the year as a whole, we launched **19 projects, with a joint PSV of R\$1.4 billion**. (page 6)

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Message from Management

2014 was a year of important achievements for PDG. According to its strategic plan, outlined in the beginning of the new Management's term, in the first two years the Company would concentrate its efforts on the conclusion of existing projects, through a strict and disciplined execution, starting to generate cash in 2014. The cash would be used to accelerate the deleveraging process and to allow the Company to initiate new growth cycle going forward.

We ended 2014 with several advancements in each of these fronts. We obtained occupancy permits for 32 projects in the fourth quarter, and 109 in the full year, the Company's highest ever delivery pace. Hence, we started 2015 with only 57 legacy projects, from which almost all will be concluded along this year, minimizing the risk of budget overruns. The cost to be incurred from the projects under construction, which added up to R\$7.1 billion in the end of 2012, now represents only R\$0.9 billion. Added to the cost of the new projects, the Company's cost to be incurred totals R\$1.7 billion.

With the reduction of the number of ongoing projects and the resulting increase in mortgage transfers from the delivered projects, PDG reached its cash flow inflection point in the third quarter, earning a positive operational cash flow of R\$237 million in 2014.

We transferred mortgages for 15.7 thousand units in 2014, 11% up on the previous year, although below the initially estimated number, given the higher volume of deliveries in the second semester. Because of this high volume of deliveries towards the end of 2014, many projects are starting their mortgage transferring processes in the beginning of 2015, which must cause an increase of 15% to 20% in the number of transferred mortgages in the year, resulting in a strong and increasing cash generation along the following quarters.

The cash generation has been mainly directed towards the Company's deleveraging process, initially concentrated in the project financing debt, as the resources received from the mortgage transfers are automatically used to pay the construction financing (SFH) debts. Since the end of 2013, given the high volume of deliveries, the Company has already reduced R\$800 million of SFH debt.

Regarding its corporate debt, the Company already resolved all its refinancing needs for the first quarter, and it is in advanced negotiations to rollover the portion due in the next months. It is important to highlight that PDG has counted on the unconditional support of its main creditors on the corporate debt rollover process during the last two years in order to conclude this stage of the restructuring process.

Despite our success to date, the current economic scenario imposes additional risks on the execution of our strategic plan. Management therefore resolved to adopt three initiatives to improve the capital structure and mitigate any eventual risks related to the restructuring process:

- An increase in the Company's capital of up to R\$500 million, already approved by a Board of Directors meeting on March 18, 2015, as per the material fact disclosed on the same day, but still subject to approval by an Extraordinary Shareholders' Meeting;
- The early rescheduling of corporate debt and production financing due in 2015, in coordination with the capital increase. Some of the credits have already been negotiated and we expect to conclude the remaining negotiations together with the conclusion of the capital increase; and

Message from Management

- Speeding up the sale of non-core assets and inventory units in wholesale transactions in order to ensure an additional liquidity cushion. We undertook some transactions in the second half of 2014 and are studying others which should be concluded in the first half of 2015. One of these transactions, concluded in the fourth quarter, involved the sale of a minority stake in 17 SPEs, with projects in different parts of Brazil, for R\$260 million.

Thanks to the above initiatives, we expect to conclude the restructuring process envisaged in the strategic plan, despite the less favorable economic scenario, by ensuring greater alignment between the materialization of our assets and liabilities.

Operating and Financial Indicators

- ❖ As of the beginning of 2014, we began disclosing our operating results in IFRS10, as well as proportionally to PDG's interest in each project. All the financial information is disclosed in IFRS10.

Launches	4Q14	4Q13	4Q14 vs. 4Q13	2014	2013	2014 vs. 2013	4Q14 (IFRS)	2014 (IFRS)
Total Launches - R\$ mm	556	1,138	-51.1%	1,857	3,885	-52.2%	556	1,284
PDG % Launches - R\$ mm	491	946	-48.1%	1,360	2,012	-32.4%	556	1,284
# of Launched Projects	7	10	-30.0%	19	27	-29.6%	7	19
# of Launched Units - PDG	1,446	2,249	-35.7%	3,441	5,181	-33.6%	1,620	2,597
Sales and Inventory	4Q14	4Q13	4Q14 vs. 4Q13	2014	2013	2014 vs. 2013	4Q14 (IFRS)	2014 (IFRS)
Total Sales - R\$ mm	624	1,419	-56.0%	2,613	3,830	-31.8%	664	2,521
PDG % Sales - R\$ mm	444	1,196	-62.9%	1,911	2,833	-32.5%	436	1,762
# of Net Sold Units	1,722	4,201	-59.0%	8,155	10,001	-18.5%	1,539	6,702
Inventory at Market - R\$ mm	3,268	4,014	-18.6%	3,268	4,014	-18.6%	3,013	3,013
Operational Result ⁽¹⁾	4Q14	4Q13	4Q14 vs. 4Q13	2014	2013	2014 vs. 2013		
Net Operational Revenues - R\$ mm	1,117	1,779	-37.2%	4,257	5,317	-19.9%		
Gross Profit - R\$ mm	206	444	-53.7%	824	1,098	-24.9%		
Gross Margin - %	18.4	25	-660 bps	19.4	20.7	-130 bps		
Adjusted Gross Margin - %	23.3	30.8	-750 bps	26.3	28.1	-180 bps		
EBITDA Margin - %	3.1	20.5	n.m.	10.9	12.1	-120 bps		
Net Earnings (Losses) - R\$ mm	(222.0)	19.0	n.m.	(529.2)	(271.0)	n.m.		
Net Margin - %	-19.9	1.1	n.m.	(12.4)	-5.1	n.m.		
Backlog Results (REF) ⁽¹⁾	4Q14	4Q13	4Q14 vs. 4Q13					
Gross Revenues (REF) - R\$mm	1,805	3,839	-53.0%					
COGS - R\$ mm	(1,263)	(2,734)	-53.8%					
Gross Profit - R\$ mm	542	1,105	-51.0%					
Gross Backlog Margin - %	30.0%	28.8%	120 bps					
Balance Sheet ⁽¹⁾	4Q14	4Q13	4Q14 vs. 4Q13					
Cash - R\$mm	1,092	1,353	-19.3%					
Net Debt -R\$mm	6,777	7,014	-3.4%					
Shareholders Equity -R\$mm	5,062	5,330	-5.0%					
Net Debt (ex. SFH) / Shareholder Equity (%)	44.6	33.8	n.m.					
Total Assets - R\$ mm	15,924	16,799	-5.2%					

Obs: (1) Financial Results in IFRS 10.

(2) Includes Partnerships and excludes TGLT.

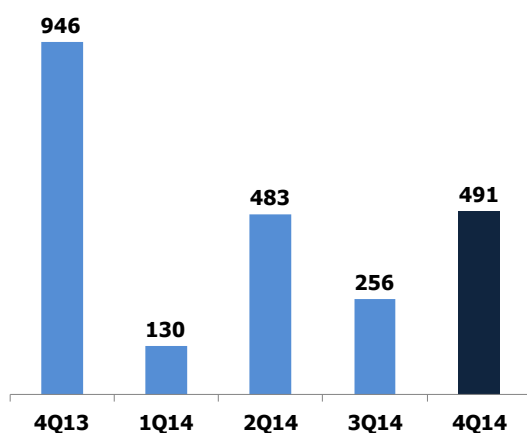
(3) PSV PDG excludes partnerships.

(4) Gross Sales and Cancelled Sales exclude sales cancelled and resold during the quarter.

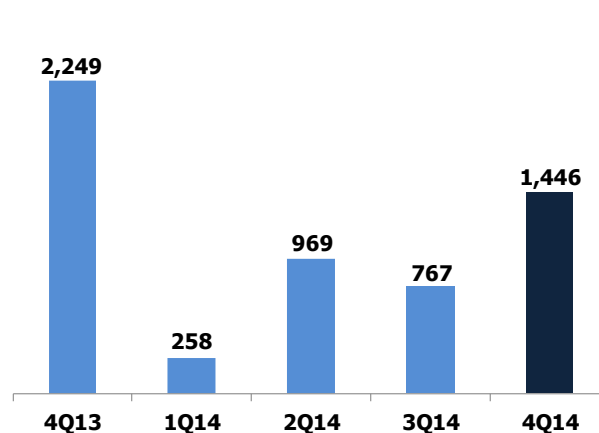
Operating Performance – Launches

- ❖ PDG launched 19 projects in 2014, with a total PSV of R\$1.4 billion, proportional to the Company's share of each. Seven projects were launched in 4Q14, with a PSV of R\$491 million, still concentrated in the states of São Paulo and Rio de Janeiro. The fourth-quarter launches met with good sales acceptance, with an average of more than 30% being sold by the close, despite the grater launch concentration in December.
- ❖ We launched four new projects in Rio de Janeiro in 4Q14, with 639 units and a total PSV of R\$286 million: D'Oro, a high-income residential building in Botafogo, sold out on launch; The City – Berlim, a new commercial tower in Barra da Tijuca; Unique, in the Tijuca region; and the Niemeyer hotel tower, in Niterói.
- ❖ In São Paulo, we launched the Condomínio Arena, with 195 units and PSV of R\$68 million, close to the new stadium in Itaquera, a fast-growing region of the city.
- ❖ The Mais Viver and Duo projects marked the return of our launches to Campinas. With a PSV of R\$65 million and 444 units, the Mais Viver Campinas land development project is already more than 86% sold. Duo, with a PSV of R\$73 million and 168 units, is a middle-income residential project in the Campinas city center, launched in December.

Launches % PDG – R\$mm



Launches – units% PDG



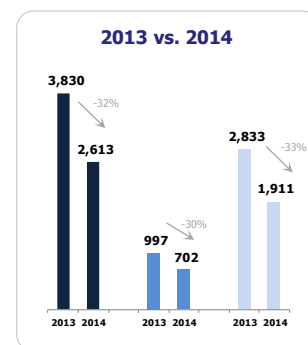
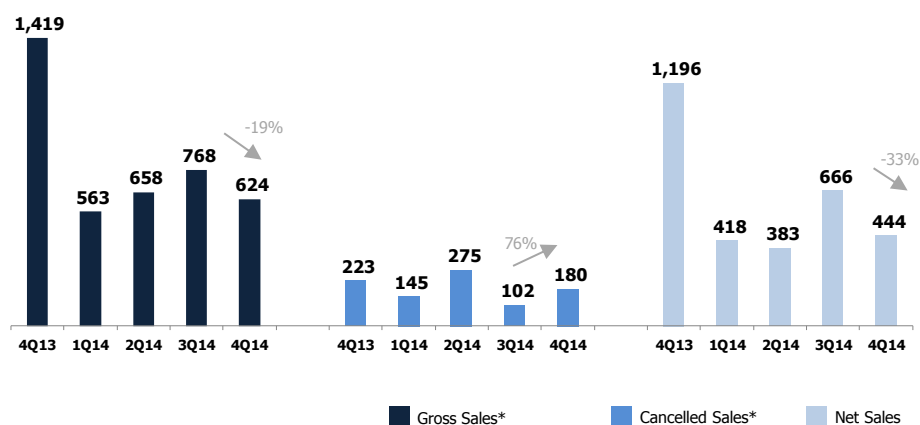
Projects Launched

Launches							
Project	Launch	Region	Segment	Total PSV (R\$ mm)	PSV PDG (R\$ mm)	PDG Units	Average Price (R\$ thous)
DOM Offices (Torre 2)	1Q14	Rio de Janeiro	Commercial	46.5	46.5	230	202.1
Residencial Meridiano	1Q14	Rio de Janeiro	High Income	83.5	83.5	28	2982.1
Total 1Q14	2	-	-	130.0	130.0	258	503.8
Artisan	2Q14	São Paulo	High Income	74.2	74.2	48	1544.8
Niemeyer (Commercial)	2Q14	Niterói / RJ	Commercial	249.6	199.7	404	494.2
Vila Nova Sabará - Praça Inglesa	2Q14	São Paulo	Mid-High	106.7	53.4	102	523.2
Jardim das Perdizes - TIME	2Q14	São Paulo	Mid-High	193.0	48.2	69	699.2
Jardim das Perdizes - TIME (Commercial)	2Q14	São Paulo	Commercial	192.0	48.0	79	605.8
Buona Vita Atibaia	2Q14	Atibaia / SP	Land Plot	59.5	59.5	267	222.9
Total 2Q14	6	-	-	875.0	483.0	969	498.3
Prix Pirituba	3Q14	São Paulo	Economic / HIS	30.2	30.2	156	193.6
Gran Residencial	3Q14	Rio de Janeiro	Mid Income	116.4	116.4	206	564.9
Rio Parque (Fase 3)	3Q14	Rio de Janeiro	Economic	81.2	40.6	184	220.7
Maxi Pirituba	3Q14	São Paulo	Economic /HMP	68.4	68.4	221	309.3
Total 3Q14	4	-	-	296.2	255.6	767	333.2
D'ORO	4Q14	Rio de Janeiro	High Income	40.5	40.5	19	2,129.3
The City - Berlim	4Q14	Rio de Janeiro	Commercial	143.6	100.5	265	378.8
Condomínio Arena	4Q14	São Paulo	Economic	68.4	68.4	195	350.8
Mais Viver Campinas	4Q14	Campinas	Land Plot	64.5	64.5	444	145.3
Unique	4Q14	Rio de Janeiro	Mid Income	57.4	57.4	121	474.6
Duo Princesa D'Oeste	4Q14	Campinas	Mid Income	72.9	72.9	168	433.9
Niemeyer (Hotel)	4Q14	Rio de Janeiro	Commercial	109.0	87.2	234	372.2
Total 4T14	7	-	-	556.3	491.4	1,446	339.8
Total 2014	19	-	-	1,857.5	1,360.0	3,441	395.3

Operating Performance – Sales

- Despite the even more challenging macroeconomic scenario, the Company recorded gross sales of R\$624 million in 4Q14, in line with the previous quarters, if we exclude the impact of the “Na Ponta do Lápis” sales campaign in 3Q14.
- Cancellations remained under control, with a net total of R\$180 million in 4Q14, giving R\$702 million in the year, 30% less than the R\$997 million registered in 2013. The quarterly average stood at R\$175 million, below our initial expectations of around R\$200 million.
- As a result, net sales came to R\$444 million in 4Q14 and R\$1.9 billion in 2014, 74% of which from inventory sales and 26% from launches.
- Sales speed (VSO) came to 11.8% in 4Q14, exemplifying the healthy period sales performance. As we mentioned previously, the quarter's launches met with good acceptance, recording a sales speed of 30%, while inventory sales recorded 8.9%. In the full year, the sales speed stood at 36% (35% for inventory and 36% for launches).

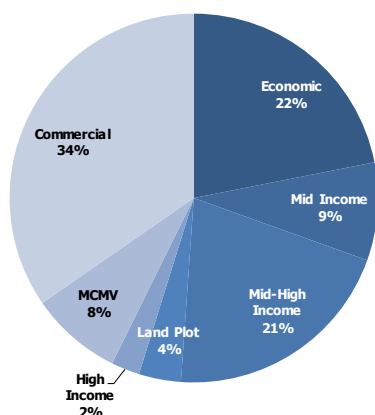
Sales Performance – PSV R\$mm



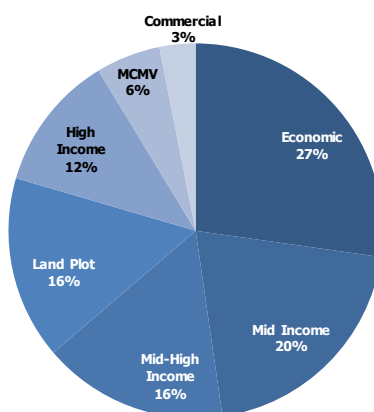
(*) The data about sales and cancelled sales do not include units resold in the quarter

Net sales by product % PDG – PSV

4Q13

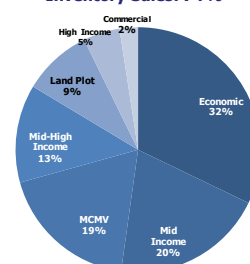


4Q14

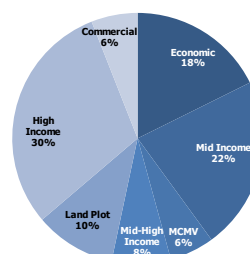


2014

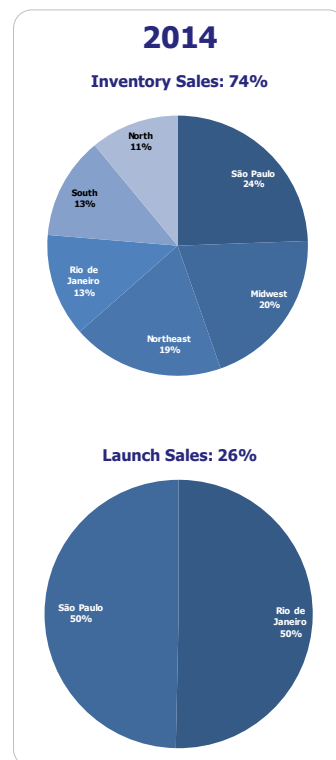
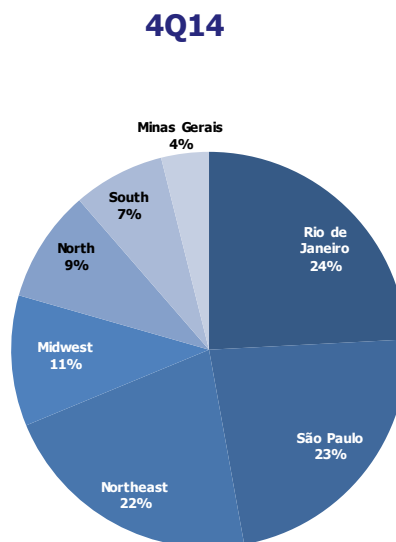
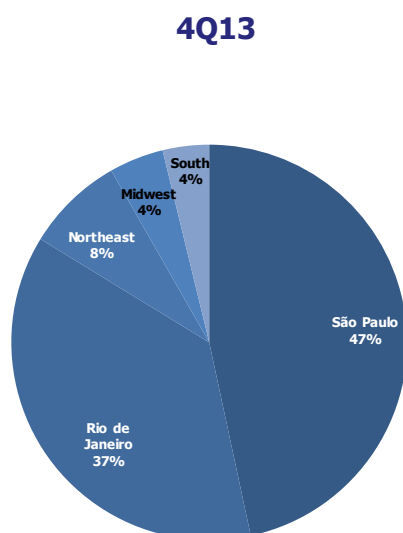
Inventory Sales: 74%



Launch Sales: 26%



Net sales by region % PDG – PSV



Operating Performance – Cancellations and Resale

- ❖ Of total cancellations in 4Q14, 84% corresponded to projects with more than 81% of their units sold, i.e. cancellations are occurring in projects with high commercial liquidity.
- ❖ Throughout 2014, we maintained our focus on the sale of inventory units and the resale of cancellations, thus maintaining a high resale speed, despite the less favorable economic scenario. As can be seen in the chart on the following page, the average resale curve reached 85% 12 months after cancellation.
- ❖ We continued to offset a large percentage of inflation in the period between the original sale and resale, with an average price of 11.5% above the original cancelled sale price, as shown in the chart on page 9.

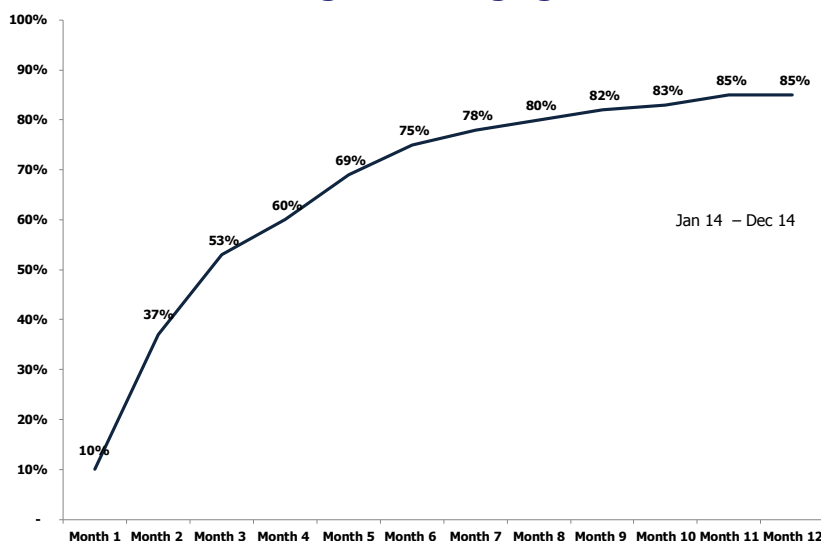
Cancellations by Percentage of Resale and Year of Delivery

R\$ million

Percentage Sold	Concluded		2015 Delivery		2016 Delivery		Post 2016 Delivery		TOTAL	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	-	-	-	-	5	0.4	1	0.2	6	0.6
21% to 40%	13	2.9	-	-	1	3.9	-	3.0	14	9.8
41% to 60%	13	2.9	2	5.7	16	3.9	-	2.5	31	15.0
61% to 80%	219	59.4	47	18.3	13	7.5	-	1.6	279	86.7
81% to 99%	2,003	510.9	152	48.9	63	22.7	43	7.3	2,261	589.8
TOTAL	2,248	576.0	201	72.9	98	38.3	44	14.6	2,591	701.8

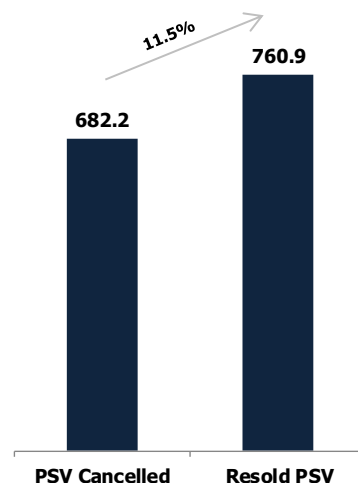
Operating Performance – Cancelled Sales and Resale

Average Resale Aging



Resale Price

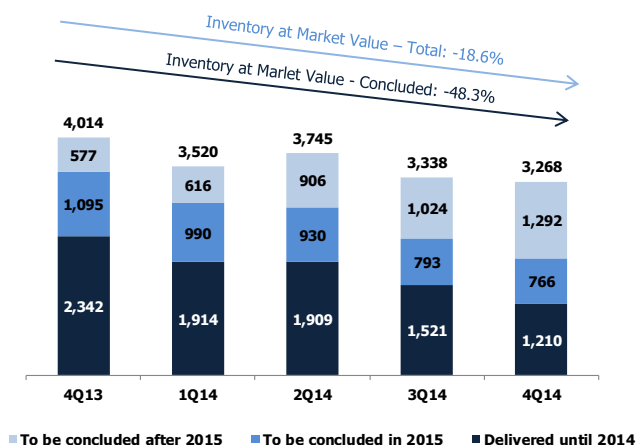
12 months accumulated – R\$m



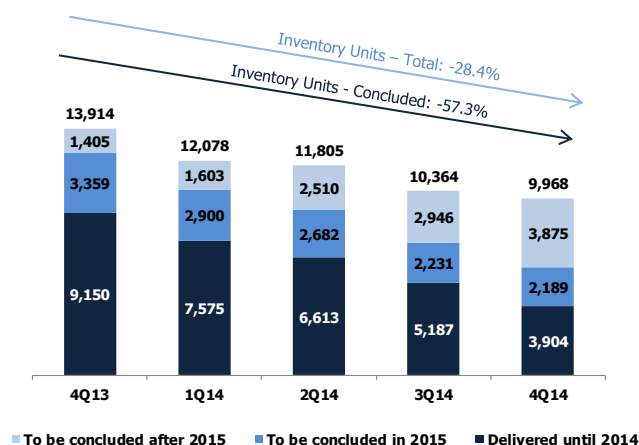
Operating Performance - Inventory

- Total inventory at market value closed 2014 at R\$3,268 million, 2% down on the R\$3,338 million recorded in 3Q14, while the number of units declined by 4%, from 10,364, in 3Q14, to 9,968. In relation to 4Q13, total inventory PSV fell by 18.6% and the number of units by 28.4%.
- If we consider only those units to be delivered by the end of 2014, inventory PSV declined by 20% and the number of units by 25%, in line with the reduction tendency in previous quarters, reflecting the Company's successful efforts to monetize its immediate-cash-generating inventory.
- In relation to 4Q13, inventory to be delivered by the close of 2014 fell by 48.3% in PSV and 57.3% in numbers of units, while inventory for delivery by the end of 2015 dropped by 30% and 35%, respectively.

Inventory at Market Value (R\$m)



Inventory Units



Operating Performance – Inventory

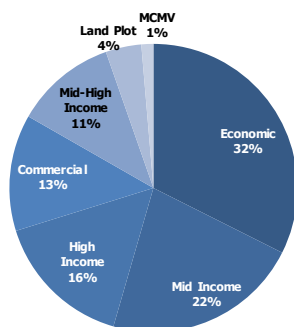
Inventory by Percentage Sales and Geography

Region	20% or less		21% to 40%		41% to 60%		61% to 80%		81% to 99%		Inventory	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV
Southeast	1,804	531.9	447	231	929	314.2	1,388	412.6	1,919	679.9	6,487	2,170.0
Northeast	-	-	321	81.2	-	-	173	155.1	479	166.7	973	403.0
Midwest	-	-	-	-	198	36.6	409	66.5	149	23.5	756	126.6
North	-	-	-	-	415	126.0	453	116.3	375	145.2	1,243	387.5
South	-	-	-	-	-	-	191	76.4	318	104.4	509	180.8
TOTAL	1,804	531.9	768	312.5	1,542	476.8	2,614	826.9	3,240	1,119.7	9,968	3,267.9

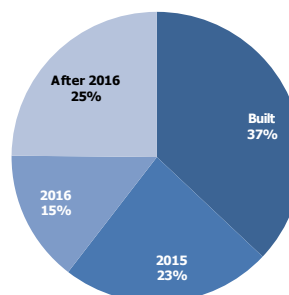
Inventory by Percentage Sales and Year of Delivery

Percentage Sold	Built		2015 Delivery		2016 Delivery		Post 2016		TOTAL		%
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV	
20% or less	136	58.0	-	-	539	76.1	1,129	397.9	1,804	531.9	18%
21% to 40%	-	-	321	81.2	21	54.9	426	176.3	768	312.5	8%
41% to 60%	359	57.2	448	184.4	448	128.1	287	107.2	1,542	476.8	15%
61% to 80%	1,314	368.4	575	228.5	518	136.6	207	93.4	2,614	826.9	26%
81% to 99%	2,095	726.5	845	271.4	181	84.5	119	37.4	3,240	1,119.7	33%
TOTAL	3,904	1,210.0	2,189	765.5	1,707	480.2	2,168	812.1	9,968	3,267.9	100%

Inventory by Product - % PSV



Inventory Delivery Schedule - % PSV



Operating Performance – Sales Speed

- ❖ In 4Q14, sales speed in the last 12 months stood at 36%, in line with the year's previous quarters. In the fourth quarter itself, it came to 11.8%, only lower than 3Q14, when the "Na Ponta do Lápis" sales campaign took place.
- ❖ The quarter's launches were well-accepted from a sales point of view, recording a sales speed of 30%, while the inventory sales speed came to 8.9%.
- ❖ The annual sales speed was 36% (35% for inventory and 36% for launches).

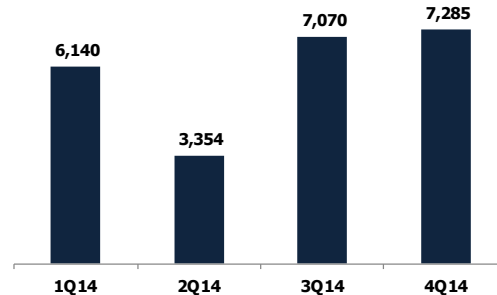
	1Q14	2Q14	3Q14	4Q14	VSO
Initial Inventory	4,014	3,519	3,744	3,338	
(+) Launches	130	483	256	491	1,360
(-) Net Sales	418	383	666	444	1,911
(+) Adjusts ⁽¹⁾	-207	125	4	-118	
Final Inventory	3,519	3,744	3,338	3,267	
Sales Speed (12 mos.)	35%	36%	42%	36%	36%

(1) The negative adjustment of R\$ 118 mm is mainly due to discount applied to the inventory.

Sales Speed: Net sales in 12 months / (Effective Inventory 1Q14 + Launches in 12 months)

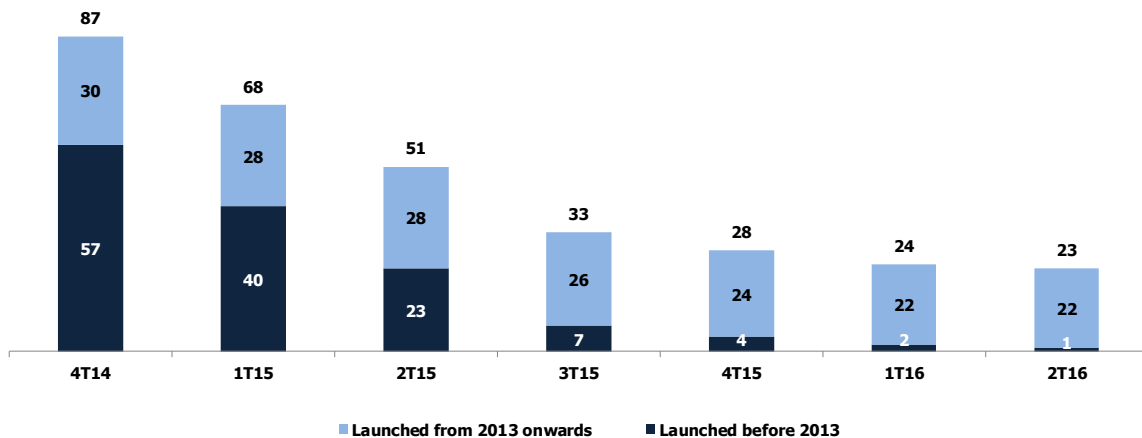
Concluded Works - units

- PDG concluded the construction works of 7,285 units in 4Q14, continuing with the high volume of deliveries begun in the previous quarter. In the year as a whole, 23,849 units were delivered within the envisaged schedule and with no additional budget revisions. Deliveries came to 27,711 units in 2013, giving a two-year total of 51,560.



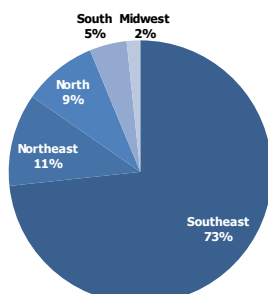
Projects in Progress – Occupancy Permit Schedule

- We obtained occupancy permits for 32 projects in the fourth quarter, maintaining the strong pace of deliveries in the second half, allowing us to recover virtually all of the first-half delays by year-end. In 2014, we obtained 109 occupancy permits for projects under PDG's financial management, the Company's highest ever annual total.
- Given the high number of permits issued in 2014, we are beginning 2015 with 57 legacy projects under way. Virtually all the legacy projects should be delivered by the end of this year, allowing the Company to focus all its efforts on projects launched by the new management.

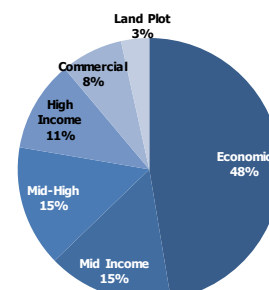


* Projects under construction in the end of each quarter.

Breakdown by Region (% PSV)



Breakdown by Product (% PSV)

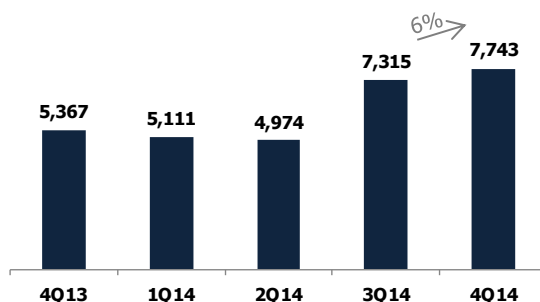


Projects delivered with Occupancy Permit– 2014

2014 Deliveries - Occupancy Permits							
Project	Occupancy Permit	Region	Segment	Total PSV (R\$ mm)	PDG PSV (R\$ mm)	PDG Units	Average Price (R\$ thous)
VERT	1Q14	São Paulo	Mid-Income	65.7	32.8	108	304.0
PARQUE ANÁLIA FRANCO	1Q14	São Paulo	Mid-High	57.6	57.6	104	553.9
INSIDE PARK	1Q14	São Paulo	High	69.4	34.7	18	1,928.5
CONNECTION	1Q14	São Paulo	Mid-High	50.2	50.2	102	491.7
RESIDENCIAL SERRA DO JAMBEIRO	1Q14	São Paulo (Countryside)	Economic	34.4	34.4	180	191.2
DOT	1Q14	São Paulo (Countryside)	Economic	30.3	30.3	277	109.4
GREEN VIEW RESIDENCIAL	1Q14	São Paulo (Countryside)	Economic	59.2	59.2	300	197.5
RESIDENCIAL FLORES DO CERRADO	1Q14	Distrito Federal	Economic	45.2	45.2	420	107.7
RESIDENCIAL FASCINO	1Q14	São Paulo	Mid-Income	89.6	89.6	400	224.1
ARBORE	1Q14	Paraná	Mid-Income	34.5	34.5	118	292.7
PARQUE DOS PASSAROS - RESIDENCIAL SABIA	1Q14	São Paulo	Mid-Income	77.4	67.8	246	275.6
DOMO LIFE - FASE II	1Q14	São Paulo	Mid-High	115.5	115.5	224	515.5
DOMANI BROOKLIN	1Q14	São Paulo	High	122.2	122.2	72	1,696.9
AQUARELLA PARI II	1Q14	São Paulo	Mid-Income	76.7	76.7	296	259.0
JARDIM DAS ORQUÍDEAS	1Q14	Minas Gerais	Economic	20.8	20.8	132	157.7
NEO JUIZ DE FORA - FASE 8	1Q14	Minas Gerais	Mid-Income	59.5	59.5	156	381.0
JARDIM TROPICAL	1Q14	Bahia	Economic	12.7	12.7	140	90.5
TOTAL 1Q14	17	-	-	1,021.0	943.7	3,293	-
CONDOMÍNIO RESIDENCIAL ALAMEDA DAS MAGNÓLIAS	2Q14	Rio Grande do Sul	Economic	49.5	49.5	430	115.0
RESIDENCIAL NOVO HORIZONTE I	2Q14	São Paulo (Countryside)	Economic	5.7	5.7	44	128.8
RESIDENCIAL NOVO HORIZONTE II	2Q14	São Paulo (Countryside)	Economic	5.9	5.9	46	128.8
RESIDENCIAL NOVO HORIZONTE III	2Q14	São Paulo (Countryside)	Economic	3.9	3.9	30	128.8
RESIDENCIAL NOVO HORIZONTE IV	2Q14	São Paulo (Countryside)	Economic	3.9	3.9	30	128.8
RESIDENCIAL BOTÂNICO BOULEVARD	2Q14	São Paulo (Countryside)	Mid-Income	32.0	32.0	116	275.8
CONDOMÍNIO ESMERALDA	2Q14	Mato Grosso	Economic	49.4	49.4	472	104.7
CAMPO DAS CAMELIAS (QUADRA 98 - A2)	2Q14	São Paulo (Countryside)	Economic	11.4	11.4	220	52.0
CAMPO DAS HORTÊNCIAS (QUADRA 98 - B3)	2Q14	São Paulo (Countryside)	Economic	10.4	10.4	200	52.0
CAMPO DAS ACÁCIAS (QUADRA 98 - A1)	2Q14	São Paulo (Countryside)	Economic	6.2	6.2	120	52.0
CAMPO DAS GARDÊNIAS (QUADRA 98 - B4)	2Q14	São Paulo (Countryside)	Economic	8.3	8.3	160	52.0
PARQUE DAS FLORES - RESIDENCIAL JARDIM	2Q14	São Paulo	Mid-Income	78.6	68.8	245	280.8
CONDOMÍNIO RESIDENCIAL ROYAL PARK	2Q14	Rio Grande do Norte	Mid-Income	68.5	68.5	298	229.7
RIO PARQUE I	2Q14	Rio de Janeiro	Economic	57.9	28.9	233	124.4
RESIDENCIAL LUMINI I	2Q14	São Paulo (Countryside)	Economic	23.9	23.9	140	171.0
GREENVILLE LUMNO	2Q14	Bahia	High Income	248.7	248.7	163	1,525.6
COLORÉ	2Q14	São Paulo	Mid-Income	38.0	30.4	72	422.3
CASA BELLA - Fase 01	2Q14	São Paulo (Countryside)	Mid-High	22.4	22.4	46	487.9
CASA BELLA - Fase 02	2Q14	São Paulo (Countryside)	Mid-High	25.0	25.0	46	543.4
CASA BELLA - Fase 03	2Q14	São Paulo (Countryside)	Mid-High	16.3	16.3	34	480.0
VALLORE BRÁS	2Q14	São Paulo	Mid-Income	118.7	118.7	352	337.1
TOTAL 2Q14	21	-	-	884.6	838.2	3,497	-
CITTÀ RAVENNA	3Q14	Bahia	MCMV	23.1	23.1	260	89.0
RESIDENCIAL ALLEGRIA I	3Q14	São Paulo (Countryside)	MCMV	33.7	33.7	322	104.7
VISTA ARBORIS RESIDENCIAL	3Q14	São Paulo	Mid-Income	37.6	37.6	148	253.9
VISTA ARBORIS MISTRAL RESIDENCIAL	3Q14	São Paulo	Mid-Income	83.3	83.3	264	315.5
BUONA VITA SIENA	3Q14	São Paulo (Countryside)	Land Plot	78.5	78.5	461	170.3
PARQUE DAS FLORES - RESIDENCIAL BOSQUE	3Q14	São Paulo	Mid-Income	84.1	73.6	246	299.4
MAIS VIVER SÃO JOSÉ DO RIO PRETO	3Q14	São Paulo (Countryside)	Land Plot	28.8	28.8	610	47.2
CITTÀ NÁPOLES	3Q14	Bahia	Economic	10.9	10.9	120	91.0
RESIDENCIAL ALTA VISTA (RESERVA DO VALE) - I	3Q14	São Paulo (Countryside)	Land Plot	19.2	19.2	291	66.0
RESIDENCIAL ALTA VISTA (RESERVA DO VALE) - II	3Q14	São Paulo (Countryside)	Land Plot	22.2	22.2	315	70.3
GREEN ALTO DE PINHEIROS	3Q14	São Paulo	Mid-High	59.3	14.1	76	185.4
RESID. ALLEGRO	3Q14	Paraná	Economic	76.2	76.2	504	151.2
RESID. VALE DAS FIGUEIRAS	3Q14	Rio Grande do Sul	MCMV	44.8	44.8	408	112.0
RESID. LINEA VERDE	3Q14	Paraná	Economic	69.4	69.4	344	201.8
VIVA VIDA	3Q14	Rio de Janeiro	MCMV	22.2	22.2	206	107.5
CORCOVADO	3Q14	Rio de Janeiro	High Income	93.5	93.5	16	5,844.1
URBE	3Q14	São Paulo	Mid-Income	51.4	51.4	124	414.5
PRAÇA DESIGN	3Q14	São Paulo	High Income	47.6	47.6	44	1,082.4
VILLAGE DO PARANÁ	3Q14	Paraná	Economic	119.6	119.6	657	182.0
VILLE TURQUESA	3Q14	Minas Gerais	Mid-Income	29.3	29.3	139	210.5
ETCO	3Q14	São Paulo	Mid-High	173.3	173.3	306	566.2
ALAMEDA DAS PALMEIRAS	3Q14	São Paulo	Mid-Income	48.8	48.8	197	247.8
LA TOUR RESIDENCE	3Q14	São Paulo	Mid-Income	28.1	28.1	100	281.5
MOBILE	3Q14	Rio de Janeiro	Mid-High	27.4	27.4	52	526.9
CASAS DO CAMPO	3Q14	Rio de Janeiro	MCMV	53.6	53.6	500	107.2
CAMINHOS DO PARK	3Q14	Rio de Janeiro	MCMV	41.1	41.1	417	98.5
RESIDENCIAL AIRY	3Q14	São Paulo	Mid-Income	33.4	33.4	148	225.4
CONDOMÍNIO FLORES DO VALE	3Q14	Goiás	MCMV	39.7	39.7	320	124.1
CONDOMÍNIO FLORES DE GOIÁS	3Q14	Goiás	Economic	33.6	33.6	313	107.3
RESIDENCIAL NOVITA	3Q14	São Paulo (Countryside)	Mid-Income	72.9	72.9	315	231.6
EASY OFFICE	3Q14	São Paulo (Countryside)	Mid-Income	62.0	62.0	313	198.0
COMERCIAL ROSADA	3Q14	Rio de Janeiro	Commercial	-	-	10	-
THE SQUARE	3Q14	Paraná	Economic	45.3	45.3	240	188.8
NEO JUIZ DE FORA - FASE 9	3Q14	Minas Gerais	MCMV	13.0	13.0	128	101.6
JARDIM BELA VIDA I	3Q14	Pará	MCMV	38.2	38.2	200	191.1
CITTÀ FIRENZE	3Q14	Bahia	MCMV	14.0	14.0	160	87.3
CONDOMÍNIO RESIDENCIAL RESERVA DAS ILHAS	3Q14	Bahia	Mid-Income	53.3	53.3	306	174.2
DOMO LIFE - 4/4 FASE - 1 TORRE	3Q14	São Paulo	Mid-High	164.1	164.1	336	488.5
JARDIM BELA VIDA II	3Q14	Pará	MCMV	38.2	38.2	192	199.0
TOTAL 3Q14	39	-	-	2,014.7	1,958.9	10,100	-
RESERVA ECOVILLE - Fase 1	4Q14	Paraná	Mid High Income	97.5	97.5	196	497.4
RESERVA ECOVILLE - Fase 2	4Q14	Paraná	Mid High Income	100.0	100.0	196	510.1
CORES DE PIATÁ	4Q14	Bahia	Economic	120.9	120.9	756	159.9
SUBLIME F1	4Q14	Rio de Janeiro	Mid Income	344.6	344.6	674	509.7
RESID. MORADA DE CASCAIS	4Q14	Rio Grande do Sul	Economic	40.4	40.4	274	147.6
VOLLETS SACHS - 1ª FASE	4Q14	São Paulo Interior	Economic	52.4	52.4	308	170.0
RESIDENCIAL VITALE	4Q14	São Paulo Interior	Economic	68.9	68.9	500	137.9
VIEW	4Q14	Amazonas	Economic	56.6	56.6	300	188.7
RESIDÊNCIA PORTAL DO CERRADO	4Q14	Distrito Federal	Economic	28.5	28.5	165	173.0
PÁTIO ARVOREDO - Fase 1	4Q14	Bahia	Mid Income	85.1	85.1	200	409.3
PÁTIO ARVOREDO - Fase 2	4Q14	Bahia	Economic	48.7	48.7	260	187.4
VITE - 1ª FASE (Mull)	4Q14	Maranhão	Economic	74.7	74.7	192	389.1
VILLE LOZATH	4Q14	Bahia	Economic	28.3	28.3	168	168.6
FUSION	4Q14	São Paulo	Economic	121.4	109.3	464	261.5
QUARTIER RESIDENCÉ - STER	4Q14	São Paulo	Mid Income	119.0	119.0	295	403.6
VALENCE PARQUE - STER	4Q14	São Paulo	Economic	41.0	41.0	114	359.5
SPOT OFFICE PENHA	4Q14	São Paulo	Economic	47.6	47.6	218	218.5
OASIS F1	4Q14	Rio de Janeiro	Mid Income	250.4	250.4	360	695.6
RESID. THE VIEW	4Q14	São Paulo	Mid Income	32.5	32.5	72	450.7
HORIZONTES SERRA DO JAPI	4Q14	São Paulo Interior	Mid Income	76.7	76.7	160	479.6
ATMOS - FASE 1	4Q14	Bahia	Mid Income	79.3	79.3	180	440.5
ATMOS - FASE 2	4Q14	Bahia	Mid Income	79.3	79.3	180	440.5
RESID. FLORES DO BOSQUE	4Q14	Goiás	Mid Income	20.0	20.0	163	123.0
SUBLIME F2	4Q14	Rio de Janeiro	Mid Income	118.3	118.3	236	610.0
RED	4Q14	Curitiba	Economic	61.1	61.1	237	257.6
CITTÀ ROMA	4Q14	Minas Gerais	MCMV	14.3	14.3	159	90.1
CITTÀ TURIM	4Q14	Minas Gerais	MCMV	10.0	10.0	111	90.1
CITTÀ MILÃO	4Q14	Minas Gerais	MCMV	7.1	7.1	80	88.9
CITTÀ BRÉSCIA	4Q14	Minas Gerais	MCMV	7.1	7.1	80	88.9
ENTERPRISE	4Q14	Rio de Janeiro	Residential and Commercial	293.6	293.6	987	297.5
TORRE LIBERTO	4Q14	Pará	Mid High Income	81.3	81.3	140	580.8
VILLE LAGUNA	4Q14	Pará	Economic	99.4	99.4	518	191.9
TOTAL 4Q14	32	-	-	2,706.3	2,694.2	8,951	-
TOTAL 2014	109	-	-	6,626.5	6,435.0	25,841	-

- ✦ In line with the recovery of occupancy permits throughout the second half, title individualizations picked up speed, reaching 7,743 units in the fourth quarter and 25,143 in the full year, 14% up on the 22,064 units individualized in 2013, giving 47,200 in the last two years.

Title Individualization - units



Launches, Projects Concluded and in Progress

- ✦ At the close of 2014, the Company had 87 projects in progress, equivalent to 24,358 units, 4,655 of which, or 19%, related to the Minha Casa Minha Vida housing program and the remaining 19,703, or 81%, financed by the National Housing Financing System (SFH).

	# Projects	# Total Units	# PDG Units
Launches⁽¹⁾	714	159,610	153,034
Finished⁽²⁾	627	133,509	128,676
Ongoing⁽³⁾	87	26,101	24,358

(1) Historical launches until Dec. 2014 - net of cancellations

(2) Projects with Occupancy Permit until Dec. 2014

(3) Ongoing projects until Sept 2014

Finished Projects	# Projects	# Total Units	# PDG Units
SFH	370	78,498	77,738
MCMV	257	55,011	50,938
Total	627	133,509	128,676

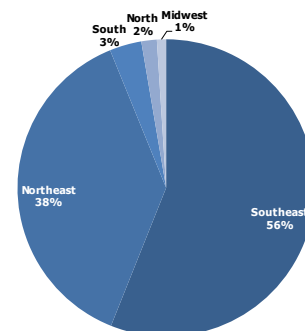
Ongoing Projects	# Projects	# Total Units	# PDG Units
SFH	72	21,339	19,703
MCMV	15	4,762	4,655
Total	87	26,101	24,358

* Projects under PDG management.

Landbank by Unit and PSV

Product	Units (%PDG)	%	PSV PDG (R\$ mm)	%	PSV (R\$ mm)	%	Average Price (R\$)
High Income	2,585	5.1%	3,034	17.9%	3,781	18.6%	1,410,743
Mid-High Income	3,295	6.5%	2,390	14.1%	3,619	17.8%	829,318
Mid Income	10,645	21.0%	4,814	28.4%	5,611	27.6%	530,193
Economic	18,705	36.9%	3,831	22.6%	3,883	19.1%	228,043
Residential	35,230	69.5%	14,070	83.0%	16,894	83.1%	486,209
Commercial	1,521	3.0%	542	3.2%	1,017	5.0%	488,163
Land Plot	13,940	27.5%	2,339	13.8%	2,419	11.9%	192,664
Total	50,691		16,952		20,330		400,518

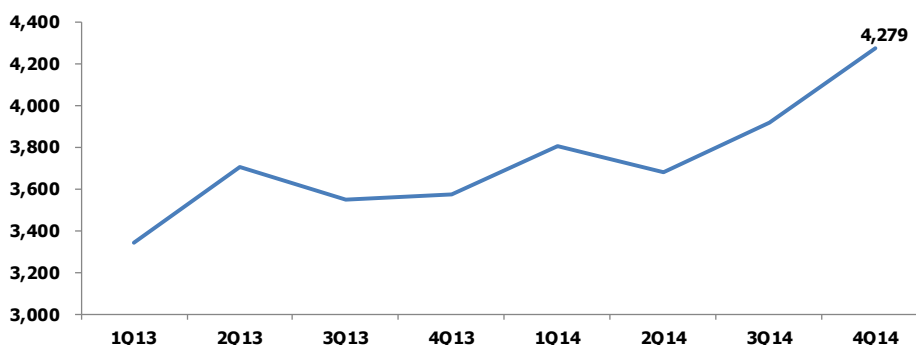
Landbank by Region - %PSV



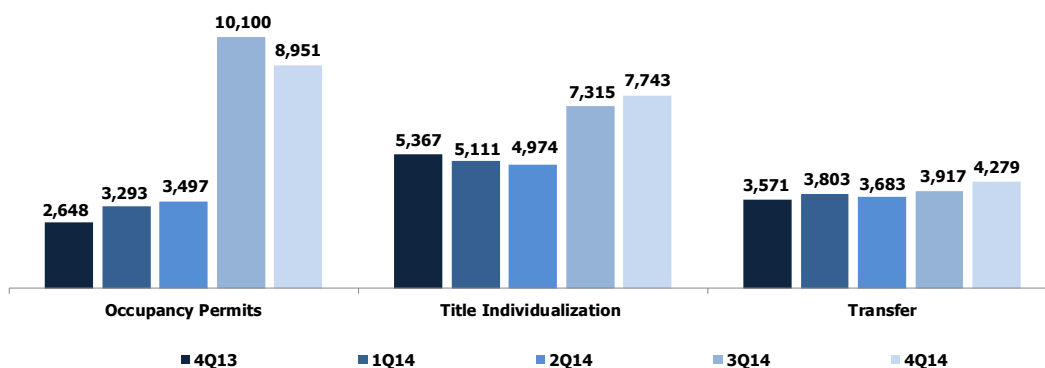
Operating Performance – Mortgage Transfers

- ❖ In 4Q14, 4,297 unit mortgages were transferred, 9% and 20% more than in 3Q14 and 4Q13, respectively. In 2014 as a whole, we transferred 15,682 units, 11% up on the 14,164 transferred in 2013.
- ❖ The recovery of the issue of occupancy permits in the second half was already reflected in the upturn in individualizations and mortgage transfers.
- ❖ We expect to transfer between 17,000 and 19,000 units in 2015.

Transfers by Quarter



Mortgage Transfer Cycle (units)



Gross Margin

- The 2014 gross margin stood at 19.4%, 1.3 percentage points (p.p.) below the 20.7% recorded in 2013, primarily due to the discounts granted during the "Na Ponta do Lápis" sales campaign in August 2014.
- The gross margin came to 18.4% in the fourth quarter, 6.6 p.p. down on 4Q13, due to the sale of DOMO in 2013, which had a gross margin of 36.9%.

	R\$ million					
Gross Margin	4Q14	4Q13	(%) Var.	12M14	12M13	(%) Var.
Net Revenues	1,117	1,780	-37%	4,257	5,317	-20%
Cost	(911)	(1,335)	-32%	(3,432)	(4,218)	-19%
Gross Profit (Loss)	206	444	-54%	824	1,098	-25%
(+) Capitalized Interest	52	101	-49%	290	373	-22%
(+) Goodwill	2	2	3%	5	23	-78%
Adjusted Profit (Loss)	260	547	-53%	1,119	1,494	-25%
Gross Margin	18.4%	25.0%	-6.6 pp	19.4%	20.7%	-1.3 pp
Adjusted Gross Margin	23.3%	30.8%	-7.5 pp	26.3%	28.1%	-1.8 pp

Backlog Result (REF)

- The gross backlog margin stood at 30.0% in 4Q14, 0.7 p.p. and 1.2 p.p. up on 3Q14 and 4Q13, respectively, thanks to the increased share of projects launched by the new management, which have higher margins, in line with the Company's strategy.
- The backlog recognition schedule is estimated at 78.6% in 2015, 16.1% in 2016 and 5.3% in 2017.

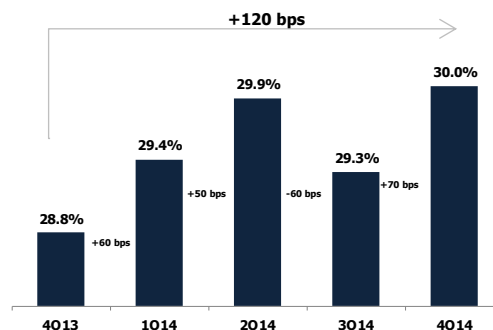
	R\$ million in IFRS		
Backlog Results (REF)	4Q14	3Q14	4Q13
Gross Revenues	1,848	2,364	3,956
(-) Taxes *	(43)	(57)	(117)
Net Revenues - REF	1,805	2,307	3,839
(-) COGS	(1,263)	(1,630)	(2,734)
Gross Profit - REF	542	677	1,105
Gross Backlog Margin	30.0%	29.3%	28.8%
Capitalized Interest	115	184	197
Agre Goodwill	18	62	65
Adjusted Gross margin **	22.7%	18.7%	22.0%

* Estimate

** Backlog margin differs from reported margin in that it does not include capitalized interest effect, future guarantees and goodwill amortization.

Backlog result recognition schedule	2015	2016	2017
	78.6%	16.1%	5.3%

Backlog Margin Trends (REF)



Backlog Result – Pre and Post 2013

- ❖ Projects launched after 2012, with an average gross margin of 30.7%, represent 42.1% of total gross backlog profit and will account for a larger share as projects launched before 2013 are delivered in 2015.
- ❖ As of 4Q14, the Maxi and Mais Viver Campinas projects were included in the backlog margin and the Company's results since they have complied with the condition precedent.

Backlog Results (REF) (Until and Post 2012 Projects)	Until 2012	Post 2012	4Q14
Net Revenues - REF	1,063	742	1,805
(-) COGS	(749)	(514)	(1,263)
Gross Profit - REF	314	228	542
Gross Backlog Margin	29.5%	30.7%	30.0%
Capitalized Interest	109	6	115
Agre Goodwill	18	-	18
Adjusted Gross margin	17.6%	29.9%	22.7%

Selling, General and Administrative Expenses (SG&A)

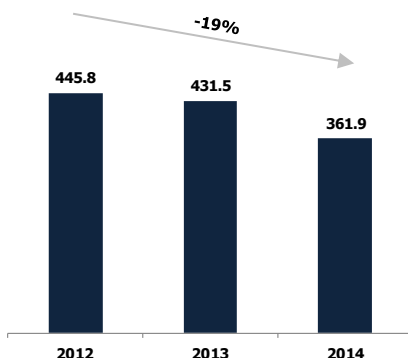
- ❖ G&A expenses continued their decline, falling by 7% over 4Q13 and 2% over 3Q14. In 2014, they recorded a reduction of 16% over 2013.
- ❖ Selling expenses fell by 18% in 4Q14 over 4Q13 and by 12% in 2014 over 2013.

R\$ million in IFRS						
Commercial Expenses	Quarter			YTD		
	4Q14	4Q13	Var. %	12M14	12M13	Var. %
Total Commercial Expenses	60.1	73.1	-18%	198.7	226.7	-12%
G&A Expenses	4Q14	4Q13	Var. %	12M14	12M13	Var. %
	4Q14	4Q13	Var. %	12M14	12M13	Var. %
Salaries and Benefits	49.0	59.6	-18%	183.4	262.3	-30%
Profit Sharing	5.5	0.7	n.m.	45.6	10.8	n.m.
Third Party Services	18.9	18.7	1%	74.1	86.1	-14%
Other Admin. Expenses	15.3	16.2	-6%	58.8	72.3	-19%
Total G&A	88.7	95.2	-7%	361.9	431.5	-16%
Total SG&A	148.8	168.3	-12%	560.6	658.2	-15%

General and Administrative Expenses (G&A)

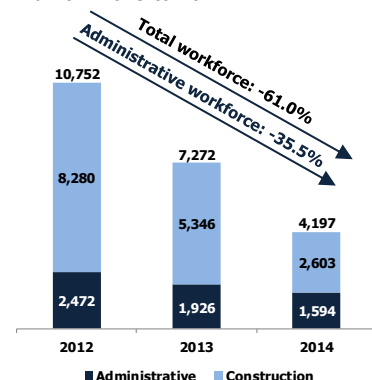
Trends

- ❖ General and administrative expenses remained on their downward trajectory, recording a 19% reduction between 2012 and 2014. Between 2013 and 2014, they fell by 16% and between 4Q13 and 4Q14, they declined by 7%.



Administrative Headcount

- ❖ Management continues to adjust the size of the company in accordance with operational needs and the long-term strategic guidelines. The workforce fell by 61% between 2012 and 2014, and by 42% between 2013 and 2014. The administrative workforce declined by 35,5% from 2012 to 2014, and by 17% from 2013 to 2014.



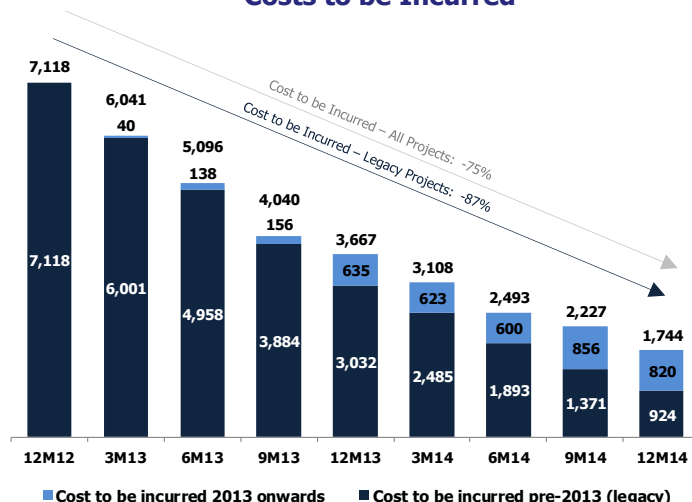
On and Off Balance Sheet Receivables

- ❖ We closed 2014 with total net receivables of R\$8.1 billion, in line with the previous quarter.
- ❖ Excluding projects launched after 2012, legacy costs to be incurred ended the year at R\$924 million, 33% down on the R\$1.4 billion reported in 3Q14, and 87% less than the R\$7.1 billion registered at the close of 2012.
- ❖ Total costs to incur fell by 22% over 3Q14 and 75% over the end of 2012.

Accounts Receivable

R\$ million in IFRS				
On and Off Balance Receivables (R\$ mm)	4Q14	3Q14	(%)	Var.
Receivables	8,155	8,259	-1%	
Gross Backlog Revenues - REF	1,848	2,364	-22%	
Advances from Clients	(161)	(175)	-8%	
Total Receivables (a)	9,842	10,448	-6%	
Cost to be Incurred - Sold Units	(1,263)	(1,630)	-23%	
Cost to be Incurred - Inventory Units	(481)	(597)	-19%	
Total Costs to be Incurred (b)	(1,744)	(2,227)	-22%	
Total Net Receivables (a+b)	8,098	8,221	-1%	
ST	4,495	5,700	-21%	
LT	3,660	2,559	43%	
Total Receivables (on balance)	8,155	8,259	-1%	

Costs to be Incurred



Financial Result

- ❖ The increase in financial expenses was chiefly due to higher interest on loans, which climbed from R\$869.3 million in 2013 to R\$954.1 million in 2014, as well as the 20% reduction in capitalized interest as a financial expense, after conclusion of the works.
- ❖ The mark to market of the debentures, which reached R\$85.5 million in 2013, had no impact on the financial result throughout 2014.

R\$ million in IFRS						
Financial Results (R\$ mm)	4Q14	4Q13	(%) Var	12M14	12M13	(%) Var
Investment Income	28.9	24.2	19%	83.0	74.1	12%
Debentures - fair value	-	29.8	-100%	-	85.5	-100%
Interest and fines	28.3	31.7	-11%	139.0	123.8	12%
Other financial revenue	4.8	9.5	-49%	12.1	16.1	-25%
Total financial revenues	62.0	95.2	-35%	234.1	299.5	-22%
Interest	(267.1)	(260.8)	2%	(954.1)	(869.3)	10%
Bank Expenses	(1.6)	(2.0)	-20%	(4.7)	(10.4)	-55%
Other	(13.0)	(14.5)	-10%	(33.4)	(28.1)	19%
Gross Financial Expenses	(281.7)	(277.3)	2%	(992.2)	(907.8)	9%
Capitalized Interest on Inventory	47.7	83.0	-43%	272.5	338.7	-20%
Total Financial Expenses	(234.0)	(194.3)	20%	(719.7)	(569.1)	26%
Total Financial Result	(172.0)	(99.1)	74%	(485.6)	(269.6)	80%

Indebtedness

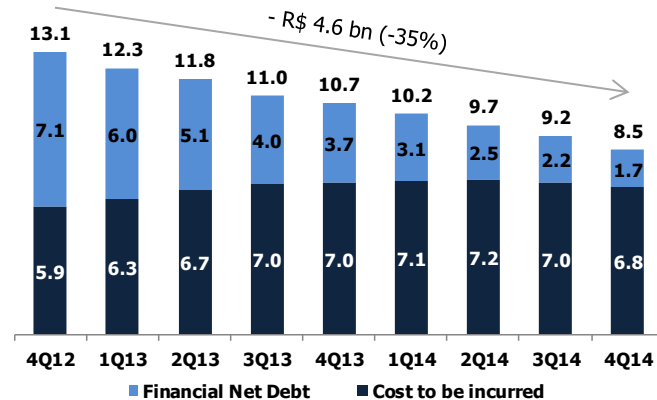
- Refinancing needs until the end of 1Q15 have been fully resolved, once again underlining creditors' trust in the Company.
- With the cash generation initiated in 3Q14 and which should grow throughout 2015, we began a lengthy deleveraging process. The capital increase proposed, from R\$300 million to R\$500 million, and the operational deleveraging will allow us to improve our capital structure, minimize funding costs and facilitate any eventual debt rollover negotiations.
- Within the concept of "extended indebtedness", considering the cost to be incurred to complete the current projects, our leverage has been falling consistently since 2012, with a variation of 35%, or R\$4.6 billion.

Net Debt

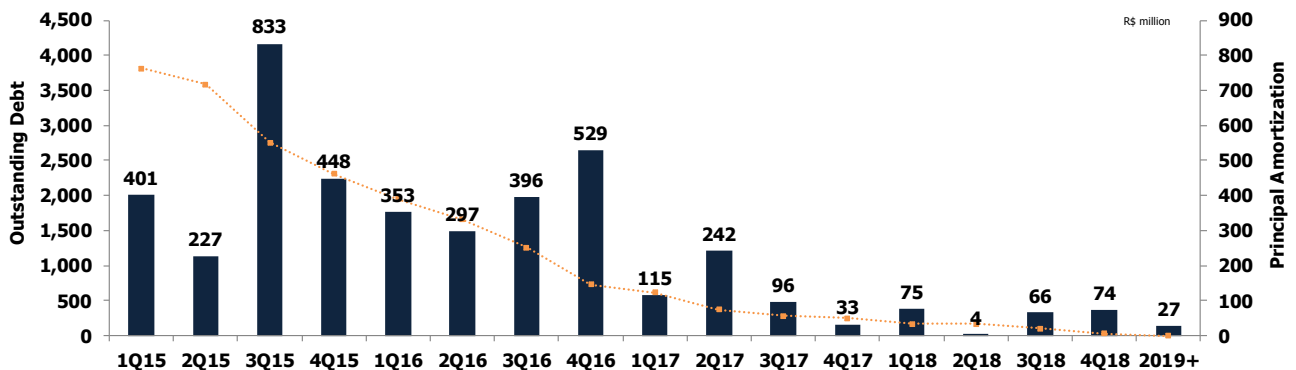
Indebtedness	4Q14	3Q14	(%) Var.
Disponibilidades	1,092	1,038	5%
SFH	2,975	3,111	-4%
Debentures	591	510	16%
CCB/CRI	951	939	1%
Construction Financing	4,517	4,560	-1%
Working Capital & SFI	477	798	-40%
Finep/Finame	142	148	-4%
Debentures	809	790	2%
CCB/CRI	1,708	1,402	22%
Obligation for the issuance of CCB and CCI	216	348	-38%
Corporate Debt	3,352	3,486	-4%
Gross Debt	7,869	8,046	-2%
Net Debt	6,777	7,008	-3%
Net Debt (ex. SFH)	2,260	2,448	-8%
Shareholders Equity (1)	5,062	5,032	1%
Net Debt (ex. SFH)/ Equity	44.6%	48.6%	-4.0 pp

(1) Includes non-controlling equity

Net Debt + Cost to be Incurred (R\$bn)



Debt Amortization Schedule (excluding SFH)



Notes:

(1) The above graph considers only the principal of loans and financings, excluding SFH debt and including debentures, CCBs (bank credit bills) and CRIs. Interest payments are not reflected in the graph.

(2) Excluding the co-obligation liability, given that it has no maturity date and is automatically written off in line with the entry of the receivables.

(3) Considers debt of PDG management only, excluding that of REP and partners.

Net Debt Variation

- ❖ In 4Q14, we continued with the cash generation cycle begun in the previous quarter. We reduced our net debt by R\$231 million, which, together with the R\$173 million generated in 3Q14, reversed the cash consumption in the first half, giving a positive balance of R\$237 million in 2014. In 2013, we had registered R\$1.1 billion in cash consumption. The Company expects cash generation to keep moving up in the coming quarters, a result from the delivery and mortgage transfers from the legacy projects.
- ❖ REP made a negative contribution to the consolidated figure, with cash consumption of R\$7 million in 4Q14, due to the revitalization investments, but still 50% less than the cash consumption of R\$14 million recorded in 3Q14.
- ❖ Part of this cash generation resulted from the sale of SPEs mentioned earlier. This transaction, added to some specific effects such as extraordinary tax (*REFIS*) payment, landbank and preferred stocks, impacted the cash generation in R\$157 million.

R\$ million in IFRS										
Net Debt Variation (R\$ mm)	1Q13	2Q13	3Q13	4Q13	2013	1Q14	2Q14	3Q14	4Q14	2014
Availability	1,833	2,007	1,525	1,353	1,353	1,035	884	1,038	1,092	1,092
Cash Variation	12	174	(482)	(172)	(468)	(318)	(151)	154	54	(261)
Debt	8,108	8,714	8,521	8,367	8,367	8,124	8,065	8,046	7,869	7,869
<i>SFH Debt</i>	4,273	5,392	5,260	5,215	5,215	4,864	4,653	4,560	4,517	4,517
<i>Corporate Debt</i>	3,835	3,322	3,261	3,152	3,152	3,260	3,412	3,486	3,352	3,352
Var. Net Debt	343	606	(193)	(154)	602	(243)	(59)	(19)	(177)	(498)
Net Debt Variation	(331)	(432)	(289)	(18)	(1,070)	(75)	(92)	173	231	237
Adjustments	36	(66)	(26)	(30)	(86)	(2)	2	-	-	-
<i>Mark to market of PDGR D81 (warrant)</i>	36	(66)	(26)	(30)	(86)	(2)	2	-	-	-
Net Debt Variation (+adjustments)	(295)	(498)	(315)	(48)	(1,156)	(77)	(90)	173	231	237

REP

- ❖ REP invested heavily in projects in 2014. May saw the inauguration of Shopping Botucatu, the Company's biggest mall with 26,000 m2 of GLA. We also began the revitalization and expansion works at Shopping Bay Market in Niterói and Shopping Valinhos, both scheduled for delivery in 2015.
- ❖ REP continued to record important advances in regard to its operating and financial indicators. In 4Q14, it posted net revenue of R\$9.1 million, giving R\$42.9 million in the year, 28.8% up on 2013. The adjusted annual EBITDA margin stood at 56.9%.
- ❖ Total sales came to R\$261.4 million in the fourth-quarter, a 31% year-on-year improvement, and R\$798 million in 2014, 26% up on 2013.
- ❖ Also in 4Q14, we sold a 60,000 m2 site in Jundiaí for R\$21 million.

4Q and 12M ended on December 31st, 2014 and 2013

Income Statements (R\$ '000) - IFRS						
	4Q14	4Q13	(%) Var.	12M14	12M13	Var. %
Operating Gross Revenue						
Real State sales	1,141,375	1,813,053	-37%	4,307,043	5,404,860	-20%
Other Operating Revenues	24,092	34,719	-31%	113,258	95,819	18%
(-) Revenues Deduction	(48,789)	(68,057)	-28%	(163,698)	(183,750)	-11%
Operating Net Revenue	1,116,678	1,779,715	-37%	4,256,603	5,316,929	-20%
Cost of Sold Units	(856,951)	(1,232,267)	-30%	(3,137,255)	(3,822,546)	-18%
Interest Expenses	(51,820)	(101,105)	-49%	(289,904)	(373,376)	-22%
Recognition of goodwill of identifiable assets in the acquisition of Agre	(2,151)	(2,091)	3%	(4,992)	(22,574)	-78%
Cost of sold properties	(910,922)	(1,335,463)	-32%	(3,432,151)	(4,218,496)	-19%
Gross Income	205,756	444,252	-54%	824,452	1,098,433	-25%
Gross margin	18.4%	25.0%	-6.6 pp	19.4%	20.7%	-1.3 pp
Adjusted gross margin ⁽¹⁾	23.3%	30.8%	-7.5 pp	26.3%	28.1%	-1.8 pp
Operating Revenues (expenses):						
Equity Income	40,591	13,469	n.m.	97,038	80,484	21%
General and Administrative	(88,744)	(95,250)	-7%	(361,910)	(431,514)	-16%
Commercial	(60,081)	(73,084)	-18%	(198,670)	(226,739)	-12%
Taxes	(4,310)	(5,156)	-16%	(15,732)	(12,330)	28%
Depreciation & Amortization	(16,705)	(15,461)	8%	(57,379)	(73,852)	-22%
Other	(76,930)	(9,954)	n.m.	(123,588)	(192,472)	-36%
Financial Result	(172,059)	(99,147)	74%	(485,659)	(269,610)	80%
Total operating revenues (expenses)	(378,238)	(284,583)	33%	(1,145,900)	(1,126,033)	2%
Income before taxes	(172,482)	159,669	n.m.	(321,448)	(27,600)	n.m.
Income Taxes and Social Contribution	(46,091)	(62,017)	-26%	(153,966)	(125,657)	23%
Income before minority stake	(218,573)	97,652	n.m.	(475,414)	(153,257)	n.m.
Minority interest	(3,405)	(78,610)	-96%	(53,829)	(117,730)	-54%
Net Income (loss)	(221,978)	19,042	n.m.	(529,243)	(270,987)	95%
Net margin	-19.9%	1.1%	-20.9 pp	-12.4%	-5.1%	-7.3 pp

(1) Adjusted by interest expenses in cost of sold units and recognition of goodwill

EBITDA						
	4Q14	4Q13	(%) Var.	12M14	12M13	Var. %
Income (loss) before taxes	(172,482)	159,669	n.m.	(321,448)	(27,600)	n.m.
(-/+) Financial Result	172,059	99,147	74%	485,659	269,610	80%
(+) Depreciation and Amortization	16,705	15,461	8%	57,379	73,852	-22%
(+) Stock Option Plan	5,494	737	n.m.	45,587	10,832	n.m.
(+) Interest Expenses - Cost of Sold Units	51,820	101,105	-49%	289,904	373,376	-22%
(+) Recognition of goodwill of identifiable assets in the acquisition of Agre	2,151	2,091	3%	4,992	22,574	-78%
(-/+) Equity Income result	(40,591)	(13,469)	n.m.	(97,038)	(80,484)	21%
EBITDA	35,156	364,741	-90%	465,035	642,160	-28%
ADJUSTED EBITDA Margin	3.1%	20.5%	-17.3 pp	10.9%	12.1%	-1.2 pp

Years ended December 31, 2014 and 2013

ASSET (R\$ '000)	2014	2013	(%) Var.
Current Assets			
Cash, cash equivalents and short-term investments	1,091,948	1,353,348	-19%
Accounts receivable	4,495,579	5,460,048	-18%
Properties held for sale	1,927,392	2,486,329	-22%
Prepaid expenses	17,243	29,328	-41%
Accounts with related parties	67,229	54,410	24%
Taxes to recover	127,858	105,842	21%
Deferred income and social contribution taxes	3,946	17,841	-78%
Others	245,340	226,951	8%
Total Current Assets	7,976,535	9,734,097	-18%
Noncurrent Assets			
Long-Term			
Accounts receivable	3,659,662	2,840,197	29%
Properties held for sale	2,364,729	2,370,859	0%
Accounts with related parties	231,703	260,612	-11%
Others	70,510	37,712	87%
Total Long-Term Assets	6,326,604	5,509,380	15%
Permanent Assets			
Investments	456,677	427,653	7%
Investment Properties	555,611	462,574	20%
Property and Equipament	50,312	67,877	-26%
Intangible	558,486	597,274	-6%
Total Permanent Assets	1,621,086	1,555,378	4%
Total Noncurrent Assets	7,947,690	7,064,758	12%
Total Assets	15,924,225	16,798,855	-5%

Years ended December 31, 2014 and 2013

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ '000)			
	2014	2013	(%) Var.
Current			
Loans and financings	1,258,415	1,487,165	-15%
Debentures	496,659	196,502	153%
Obligation for the issuance of CCB & CCI	1,402,668	1,233,046	14%
Co-obligation for the issuance of CRI	215,775	36,134	n.m
Suppliers	225,044	177,722	27%
Property acquisition obligations	369,689	506,449	-27%
Advances from clients	212,503	404,857	-48%
Taxes and contributions payable	181,690	169,197	7%
Deferred taxes	295,279	380,965	-22%
Income and social contribution taxes	58,157	45,798	27%
Accounts with related parties	32,040	34,008	-6%
Others	473,964	78,970	n.m.
Total Current	5,221,883	4,750,813	10%
Long-Term			
Loans and financings	2,336,634	2,417,460	-3%
Debentures	902,150	1,263,894	-29%
Obligation for the issuance of CCB & CCI	1,256,956	1,335,948	-6%
Co-obligation for the issuance of CRI	-	396,784	-100%
Property acquisition obligations	174,582	216,927	-20%
Advances from clients	359,392	357,938	0%
Deferred taxes	154,117	151,470	2%
Other Provision	245,943	183,068	34%
Other	210,819	394,500	-47%
Total Long-Term	5,640,593	6,717,989	-16%
Shareholders' equity			
Subscribed capital	4,907,843	4,907,843	0%
Capital reserve	744,162	838,296	-11%
Equity valuation adjustments	(66,592)	(62,822)	6%
Treasury Stock	-	(105,740)	-100%
Accumulated losses	(1,403,191)	(873,948)	61%
Minority interest	879,527	626,424	40%
Total Shareholders' equity	5,061,749	5,330,053	-5%
Total liabilities and shareholders' equity	15,924,225	16,798,855	-5%